



DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-971]

Multilayered Wood Flooring from the People's Republic of China: Final Results and Partial Rescission of Countervailing Duty Administrative Review; 2019

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The U.S. Department of Commerce (Commerce) continues to determine that the mandatory respondents, Riverside Plywood Corporation (Riverside) and Jiangsu Senmao Bamboo and Wood Industry Co., Ltd. (Jiangsu Senmao), and 66 other producers and/or exporters of multilayered wood flooring (wood flooring) from the People's Republic of China (China), received countervailable subsidies during the period of review (POR) January 1, 2019, through December 31, 2019.

DATES: Applicable [Insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Dennis McClure or Jonathan Schueler, AD/CVD Operations, Office VIII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-5973 or (202) 482-9175, respectively.

SUPPLEMENTARY INFORMATION:

Background

Commerce published the *Preliminary Results* of this administrative review in the *Federal Register* on December 27, 2021, and invited interested parties to comment.¹ On February 18,

¹ See *Multilayered Wood Flooring from the People's Republic of China: Preliminary Results of Countervailing Duty Administrative Review, and Intent to Rescind Review, in Part; 2019*, 86 FR 73244 (December 27, 2021) (*Preliminary Results*), and accompanying Preliminary Decision Memorandum (PDM).

2022, we received case briefs from the following interested parties: Riverside,² Jiangsu Senmao, Fine Furniture (Shanghai) Limited and Double F Limited (collectively, Fine Furniture), Lumber Liquidators Services, LLC (including various Chinese exporters and producers) (Lumber Liquidators and Foreign Exporters/Producers), the Government of the People’s Republic of China (GOC), and the American Manufacturers of Multilayered Wood Flooring (the petitioner).³ Struxtur, Inc. & Evolutions Flooring, Inc. (Struxtur) and Jiaxing Hengtong Wood Co., Ltd. (Hengtong) submitted letters in lieu of case briefs on February 18, 2022, concurring with the arguments of other respondent parties.⁴ On March 2, 2022, we received rebuttal briefs from Riverside, Fine Furniture, Jiangsu Senmao, and the petitioner.⁵ Zhejiang Dadongwu Green Home Wood Co., Ltd. (Dadongwu) and Struxtur submitted letters in lieu of a rebuttal case brief on March 2, 2022, incorporating the rebuttal comments of other respondent parties.⁶ On March 30, 2022, we held a public hearing to discuss the interested parties’ comments.⁷ For a complete description of the events that occurred since the *Preliminary Results*, see the Issues and Decision Memorandum.⁸

² Cross-owned affiliates are Baroque Timber Industries (Baroque Timber), Suzhou Times Flooring Co., Ltd., and Zhongshan Lianjia Flooring Co., Ltd.

³ See Petitioner’s Letter, “Case Brief,” dated February 18, 2022; see also GOC’s Letter, “Case Brief,” dated February 18, 2022; Riverside’s Letter, “Administrative Case Brief,” dated February 22, 2022 (bracketing made final on February 22, 2022); Jiangsu Senmao’s Letter, “Case Brief,” dated February 18, 2022; Fine Furniture’s Letter, “Case Brief,” dated February 18, 2022; and Lumber Liquidators and Foreign Exporters/Producers’ Letter, “Case Brief,” dated February 18, 2022.

⁴ See Struxtur’s Letter, “Case Brief,” dated February 18, 2022; see also Hengtong’s Letter, “CBP Data & Letter in Lieu of Case Brief,” dated February 18, 2022.

⁵ See Petitioner’s Letter, “Rebuttal Brief,” dated March 2, 2022; see also Fine Furniture’s Letter, “Rebuttal Brief,” dated March 2, 2022; Riverside’s Letter, “Rebuttal Brief,” dated March 2, 2022; and Jiangsu Senmao’s Letter, “Rebuttal Brief,” dated June 15, 2021.

⁶ See Struxtur’s Letter, “Rebuttal Brief,” dated March 2, 2022; see also Dadongwu’s Letter, “Letter in Lieu of Rebuttal Brief,” dated March 2, 2022.

⁷ See Memorandum, “Multilayered Wood Flooring from the People’s Republic of China—9th Administrative Review: Scheduling of Public Hearing,” dated March 7, 2022; see also Submission of Neal R. Gross and Co., Transcript of Public Hearing, filed April 6, 2022.

⁸ See Memorandum, “Issues and Decision Memorandum for the Final Results of the 2019 Countervailing Duty Administrative Review of Multilayered Wood Flooring from the People’s Republic of China,” dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

Scope of the *Order*

The product covered by the *Order*⁹ is multilayered wood flooring from China. For a complete description of the scope of the *Order*, see the Issues and Decision Memorandum.

Verification

Commerce was unable to conduct on-site verification of the information relied upon for the final results of this review. However, we took additional steps in lieu of an on-site verification to verify this information, in accordance with section 782(i) of the Act.¹⁰

Analysis of Comments Received

All issues raised in the parties' briefs are addressed in the Issues and Decision Memorandum. A list of the issues addressed is attached to this notice at Appendix I. The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <https://access.trade.gov/public/FRNoticesListLayout.aspx>.

Changes Since the *Preliminary Results*

Based on our analysis of the case and rebuttal briefs and the evidence on the record, we made certain changes from the *Preliminary Results*. These changes are explained in the Issues and Decision Memorandum.

Methodology

Commerce is conducting this review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found

⁹ See *Multilayered Wood Flooring from the People's Republic of China: Countervailing Duty Order*, 76 FR 76693 (December 8, 2011) (*Order*); see also *Multilayered Wood Flooring from the People's Republic of China: Amended Antidumping and Countervailing Duty Orders*, 77 FR 5484 (February 3, 2012) (*Amended Order*); and *Multilayered Wood Flooring from the People's Republic of China: Final Clarification of the Scope of the Antidumping and Countervailing Duty Orders*, 82 FR 27799 (June 19, 2017).

¹⁰ See Commerce's Letters, "Jiangsu Senmao Bamboo and Wood Industry Co., Ltd. Verification Questionnaire," dated January 10, 2022; and "Riverside Plywood Corp. Verification Questionnaire," dated January 10, 2022.

countervailable, we find that there is a subsidy, *i.e.*, a government-provided financial contribution that gives rise to a benefit to the recipient, and that the subsidy is specific.¹¹ The Issues and Decision Memorandum contains a full description of the methodology underlying Commerce's conclusions, including any determination that relied upon the use of adverse facts available pursuant to sections 776(a) and (b) of the Act.

Partial Rescission of Administrative Review

As noted in the *Preliminary Results*, Commerce received timely no-shipment certifications from Anhui Longhua Bamboo Product Co., Ltd. (Anhui); Benxi Flooring Factory (General Partnership) (Benxi); Dalian Deerfu Wooden Product Co., Ltd. (Deerfu); Dalian Shengyu Science and Technology Development Co., Ltd. (Shengyu); Dunhua Dexin Wood Industry Co., Ltd./Dunhua City Dexin Wood Industry Co., Ltd. (Dexin); Jiangsu Yuhui International Trade Co., Ltd. (Yuhui); Jiashan Fengyun Timber Co., Ltd. (Fengyun); Hengtong; Kember Flooring, Inc. (Kember); Kingman Wood Industry Co., Ltd. (Kingman); Muchsee Wood (Chuzhou) Co., Ltd. (Muchsee); Power Dekor Group Co., Ltd. (Power Dekor); Yingyi-Nature (Kunshan) Wood Industry Co., Ltd. (Yingyi-Nature); Zhejiang Dadongwu Greenhome Wood Co., Ltd. (Dadongwu); Zhejiang Shiyou Timber Co., Ltd. (Shiyou); and Zhejiang Shuimojiangnan New Material Technology Co., Ltd. (New Material). Based on our analysis of U.S. Customs and Border Protection (CBP) information and comments received from interested parties, we determine that eleven companies, namely, Anhui, Benxi, Shengyu, Dexin, Yuhui, Kingman, Muchsee, Power Dekor, Yingyi-Nature, Shiyou, and New Material, had no shipments of subject merchandise during the POR.^{12,13} We inquired with CBP whether these companies had shipped merchandise to the United States during the POR, and CBP provided no evidence to

¹¹ See sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

¹² See Memorandum, "No Shipment Inquiry for Certain Companies During the Period 01/01/2019 through 12/31/2019," dated November 17, 2021.

¹³ We did not consider Deerfu's no shipment certification and Fengyun's no shipment certification because we rescinded the review for these companies. See *Multilayered Wood Flooring from the People's Republic of China: Partial Rescission of Countervailing Duty Administrative Review*; 2019, 86 FR at 31696 (June 15, 2021).

contradict the claims of no shipments made by these companies. Therefore, we are rescinding the administrative review for Anhui, Benxi, Shengyu, Dexin, Yuhui, Kingman, Muchsee, Power Dekor, Yingyi-Nature, Shiyou, and New Material because these companies had no shipments of subject merchandise during the POR.

Further, in the *Preliminary Results*, Commerce stated its intention to rescind the review with respect to the above-referenced companies, except for Hengtong, Dadongwu, and Kember, in the final results.¹⁴ Concerning Dadongwu and Kember, we continue to find that both companies had entries of the subject merchandise during the POR; therefore, we are not rescinding the administrative review for these two companies.

Regarding Hengtong, we requested CBP to provide entry documentation to determine whether Hengtong had no shipments during the POR.¹⁵ After reviewing the CBP entry documentation, we determine that the record evidence supports Hengtong's claim of no shipments during the POR. Therefore, we are rescinding the administrative review of Hengtong, pursuant to 19 CFR 351.213(d)(3). For additional information regarding this determination, *see* the Issues and Decision Memorandum.

Final Results of Administrative Review

In accordance with 19 CFR 351.221(b)(5), we calculated a final countervailable subsidy rate for each of the mandatory respondents, Riverside and Jiangsu Senmao. For the companies subject to this review that were not selected for individual examination, we followed Commerce practice, which is to base the subsidy rates on an average of the subsidy rates calculated for those companies selected for individual examination, excluding *de minimis* rates or rates based entirely on adverse facts available. In this case, for the non-selected companies, we calculated a rate by weight-averaging the calculated subsidy rates of Riverside and Jiangsu Senmao using their publicly ranged sales data for exports of subject merchandise to the United States during the

¹⁴ See *Preliminary Results* PDM at 4 and 5.

¹⁵ See Memorandum, "U.S. Customs and Border Protection (CBP) Entry Documents," dated February 15, 2022, at Attachment 1.

POR.¹⁶ We find the countervailable subsidy rates for the producers/exporters under review to be as follows:

Producer/Exporter	Subsidy Rate (Percent)
Riverside Plywood Corporation and its Cross-Owned Affiliates ¹⁷	12.74
Jiangsu Senmao Bamboo and Wood Industry Co., Ltd.	3.36
Non-Selected Companies Under Review ¹⁸	9.85

Disclosure

Commerce intends to disclose the calculations and analysis performed for these final results of review within five days of the date of publication of this notice in the *Federal Register*, in accordance with 19 CFR 351.224(b).

Assessment Rates

Pursuant to 19 CFR 351.212(b)(2), Commerce will determine, and CBP shall assess, countervailing duties on all appropriate entries of subject merchandise in accordance with the final results of this review, for the above-listed companies at the applicable *ad valorem* assessment rates listed. We intend to issue assessment instructions to CBP 35 days after the date of publication of these final results of review. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication).

For the companies for which this review is rescinded, Commerce will instruct CBP to assess countervailing duties on all appropriate entries at a rate equal to the cash deposit of estimated countervailing duties required at the time of entry, or withdrawal from warehouse, for consumption, during the POR in accordance with 19 CFR 351.212(c)(1)(i).

Cash Deposit Instructions

¹⁶ See Memorandum, “Calculation of the Non-Selected Rate for the Final Results,” dated June 10, 2022.

¹⁷ Cross-owned affiliates are Baroque Timber (Zhongshan) Industries, Suzhou Times Flooring Co., Ltd., and Zhongshan Lianjia Flooring Co., Ltd.

¹⁸ See Appendix II.

In accordance with section 751(a)(2)(C) of the Act, Commerce also intends to instruct CBP to collect cash deposits of estimated countervailing duties in the amounts shown for each of the respective companies listed above on shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this administrative review. For all non-reviewed firms subject to the *Order*, we will instruct CBP to continue to collect cash deposits of estimated countervailing duties at the most recent company-specific or all-others rate applicable to the company, as appropriate. These cash deposit requirements, effective upon publication of these final results, shall remain in effect until further notice.

Administrative Protective Order

This notice also serves as a reminder to parties subject to administrative protective order (APO) of their responsibility concerning the destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a sanctionable violation.

Notification to Interested Parties

We are issuing and publishing these final results in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: June 10, 2022.

Lisa W. Wang,
Assistant Secretary
for Enforcement and Compliance.

Appendix I

List of Topics Discussed in the Final Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the *Order*
- IV. Partial Rescission of Administrative Review
- V. Period of Review
- VI. Subsidies Valuation Information
- VII. Changes Since the Preliminary Results
- VIII. Use of Facts Otherwise Available
- IX. Analysis of Programs
- X. Discussion of Comments
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 - Comment 2: Whether There Is a Basis to Apply Adverse Facts Available Regarding the Countervailability of the Provision of Electricity for Less Than Adequate Remuneration
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 - Comment 4: Whether Individually-Owned Suppliers Are Government Authorities
 - Comment 5: Whether to Include New Zealand Trade Data in the Valuation of Benchmark Prices
 - Comment 6: Whether Commerce Should Treat Pine Integrated Boards as Veneers and Apply Adverse Facts Available or Neutral Facts Available
 - Comment 7: Which Density Estimates to Use in the Benefit Calculations for the Provision of Veneers, Plywood, and Fiberboard for Less Than Adequate Remuneration
 - Comment 8: Whether to Include Certain Harmonized Tariff Schedule Subheadings and International Tropical Timber Organization Prices in the Glue, Fiberboard, Paint, Plywood, and Veneers Benchmark Price Calculations
 - Comment 9: Whether to Rely on Drewry Ocean Freight Benchmark Data and Input-Specific Sources of Ocean Freight Used to Calculate the Ocean Freight Benchmarks for Veneers, Plywood, Fiberboard, Cut Timber, Sawn Wood, Paint, and Glue
 - Comment 10: Whether to Revise Inland Freight Cost Calculation Methodology to Include Border Fees and Port Charges
 - Comment 11: Whether to Include All Receipts to Determine the Measurability of the Participation of Standard Draft Program
 - Comment 12: Whether to Base the Electricity Benchmark Prices on the Highest Prices When Tariff Schedules for Different Time Periods Exist
 - Comment 13: Whether to Countervail Loans Based on a Financial Lease Back
 - Comment 14: Whether to Rescind the Review, In Part, Based on CBP Information
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- XI. Recommendation

Appendix II

Non-Selected Companies Under Review

- 1. Anhui Boya Bamboo & Wood Products Co., Ltd.
- 2. Anhui Yaolong Bamboo & Wood Products Co. Ltd.

3. Armstrong Wood Products (Kunshan) Co., Ltd.
4. Benxi Wood Company
5. Changzhou Hawd Flooring Co., Ltd.
6. Dalian Guhua Wooden Product Co., Ltd.
7. Dalian Huilong Wooden Products Co., Ltd.
8. Dalian Jaenmaken Wood Industry Co., Ltd.
9. Dalian Jiahong Wood Industry Co., Ltd.
10. Dalian Kemian Wood Industry Co., Ltd.
11. Dalian Penghong Floor Products Co., Ltd.
12. Dalian Qianqiu Wooden Product Co., Ltd.
13. Dalian Shumaike Floor Manufacturing Co., Ltd.
14. Dalian T-Boom Wood Products Co., Ltd.
15. Dongtai Fuan Universal Dynamics, LLC
16. Dun Hua Sen Tai Wood Co., Ltd.
17. Dunhua City Hongyuan Wood Industry Co., Ltd.
18. Dunhua City Jisen Wood Industry Co., Ltd.
19. Dunhua Shengda Wood Industry Co., Ltd.
20. Fine Furniture (Shanghai) Limited
21. Fusong Jinlong Wooden Group Co., Ltd.
22. Fusong Jinqiu Wooden Product Co., Ltd.
23. Fusong Qianqiu Wooden Product Co., Ltd.
24. Guangdong Yihua Timber Industry Co., Ltd.
25. Guangzhou Homebon Timber Manufacturing Co., Ltd.
26. HaiLin LinJing Wooden Products Co., Ltd.
27. Hangzhou Hanje Tec Company Limited
28. Hangzhou Zhengtian Industrial Co., Ltd.
29. Hunchun Forest Wolf Wooden Industry Co., Ltd.
30. Hunchun Xingjia Wooden Flooring Inc.
31. Huzhou Chenghang Wood Co., Ltd.
32. Huzhou Fulinmen Imp. & Exp. Co., Ltd.
33. Huzhou Jesonwood Co., Ltd.
34. Huzhou Sunergy World Trade Co., Ltd.
35. Jiangsu Guyu International Trading Co., Ltd.
36. Jiangsu Keri Wood Co., Ltd.
37. Jiangsu Mingle Flooring Co., Ltd.
38. Jiangsu Simba Flooring Co., Ltd.
39. Jiashan HuiJiaLe Decoration Material Co., Ltd.
40. Jiashan On-Line Lumber Co., Ltd.
41. Jiaxing Brilliant Import & Export Co., Ltd.
42. Jilin Xinyuan Wooden Industry Co., Ltd.
43. Karly Wood Product Limited
44. Kember Flooring, Inc., a.k.a. Kember Hardwood Flooring, Inc.
45. Kemian Wood Industry (Kunshan) Co., Ltd.
46. Kingman Floors Co., Ltd.
47. Lauzon Distinctive Hardwood Flooring
48. Linyi Anying Wood Co., Ltd.
49. Linyi Youyou Wood Co., Ltd. (successor-in-interest to Shanghai Lizhong Wood Products Co., Ltd.) (a/k/a The Lizhong Wood Industry Limited Company of Shanghai)

50. Metropolitan Hardwood Floors, Inc.
51. Pingde Timber Manufacturing (Zhejiang) Co., Ltd.
52. Power Dekor North America Inc.
53. Scholar Home (Shanghai) New Material Co. Ltd.
54. Shanghaifloor Timber (Shanghai) Co., Ltd.
55. Sino-Maple (Jiangsu) Co., Ltd.
56. Suzhou Dongda Wood Co., Ltd.
57. Tongxiang Jisheng Import and Export Co., Ltd.
58. Xiamen Yung De Ornament Co., Ltd.
59. Xuzhou Shenghe Wood Co., Ltd.
60. Yekalon Industry, Inc.
61. Yihua Lifestyle Technology Co., Ltd.
62. Zhejiang Dadongwu GreenHome Wood Co., Ltd. (a.k.a. Zhejiang Dadongwu Greenhome Wood Co., Ltd. and Zhejiang Dadongwu Green Home Wood Co., Ltd.)
63. Zhejiang Fuerjia Wooden Co., Ltd.
64. Zhejiang Jiechen Wood Industry Co., Ltd.
65. Zhejiang Longsen Lumbering Co., Ltd.
66. Zhejiang Simite Wooden Co., Ltd.

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